

2009-2010 TENNESSEE GUIDE TO

Tennessee



FOOD MANUFACTURING

Tennessee Department of Economic & Community Development



Food Manufacturing

Industries in the Food Manufacturing subsector transform livestock and agricultural products into products for intermediate or final consumption. The industry groups are distinguished by the raw materials (generally of animal or vegetable origin) processed into food products.

The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers. However establishments primarily engaged in retail baking and candy production made on the premises not for immediate consumption are also included within the food manufacturing sector.

In 2007 there were 384 food manufacturing facilities employing 32,707 workers. The average annual wage in this industry was \$41,223.

All food product facilities in Tennessee fall into one of eight subsectors. The following is a listing of the groups and a brief description of each.



DID YOU KNOW...

- **Tennessee's top agricultural commodities include cattle and calves, broiler, cotton, greenhouse/nursery products, soybeans, corn, dairy products, tobacco, tomatoes, hay, wheat, hogs, eggs, snap beans, grain sorghum, peaches, apples, squash, sheep and lambs and farm chickens.**

– Source: www.tennessee.gov/agriculture/annualreport/ar02.pdf

- **Tennessee wineries have won gold, silver and bronze regional and international awards for their fine wines.**

– Source: www.picktnproducts.org/food/wine.html

- **Tennessee ranks 13th in broiler production and 34th in egg production nationally.**

– Source: Tennessee Egg & Poultry Association

ANIMAL FOOD MANUFACTURING

This industry primarily comprises establishments engaged in the manufacture as food and feed for animals from ingredients such as grain, oilseed mill products, and meat products.

In 2007 there were 25 establishments in this industry in Tennessee, employing an estimated 777 people. The average pay for workers in this industry was \$68,261 per year. The largest employer in this industry is Doane Pet Care Enterprises/ Mars Pet Products Inc., which employ over 600 people in Williamson County.



GRAIN AND OILSEED MILLING

This industry group comprises establishments primarily engaged in flour milling, and the manufacture of malt, starch and vegetable fats, cooking oil, and breakfast cereal.

There were 17 establishments in this industry in Tennessee in 2007, employing almost 2100 people. The average pay for workers in this industry was \$71,933 per year. Largest employers in this industry are General Mills Inc. located in Rutherford County and Kellogg Inc. in Shelby County. Both companies employ over 700 people.



SUGAR & CONFECTIONARY PRODUCT MANUFACTURING

This industry comprises (1) establishments that process agricultural inputs such as sugarcane, beet and cacao, that give rise to a new product (e.g. sugar or chocolate), and (2) establishments that begin with sugar and chocolate and process these further into new products.

In 2007, there were 42 establishments in this industry in Tennessee, employing almost 2,200 people. The average pay for workers in this industry was \$47,853 per year. The largest employer in this industry is Mars Snackfood U.S. LLC, employing 678 people in Bradley County.



Sources: Bureau of Labor Statistics, 2008; An Economic Report to the Governor of the State of Tennessee, 2009; North American Industrial Classification System, 2007; Harris InfoSource, 2008

FRUIT AND VEGETABLE PRESERVING AND SPECIALTY FOOD MANUFACTURING

This industry group includes (1) establishments that freeze food and (2) those companies involved in frozen food production that use preservation processes, such as pickling, canning, and dehydrating. Both types begin their production process with inputs of vegetable or animal origin.

There were 24 establishments in this industry in Tennessee in 2007, employing 3,842 people. The average pay for workers in this industry was \$49,821 per year. The largest employers in this industry is Pictsweet LLC, employing 1,000 people in Crockett County and 100 people in Haywood County.



ANIMAL SLAUGHTERING AND PROCESSING

This industry primarily comprises establishments engaged in one or more of the following: (1) slaughtering of animals; (2) preparing processed meats and/or meat by products; and (3) rendering and/or refining of animal fat, bones, and meat scraps. This industry also includes establishments engaged in assembly, cutting, and packing of meats (i.e., boxed meats) from purchased carcasses.

There were 86 establishments in this industry in Tennessee in 2007, employing 11,376 people. The average pay for workers in this industry was \$28,409 per year. The largest employer in this industry is Tyson Foods Inc, employing over 2500 people in Obion and Bedford Counties.

**Corporate and farm investment in
the poultry industry exceeded
\$44 million in 2005.**

— Source: Tennessee Egg & Poultry Assoc.

DAIRY PRODUCT MANUFACTURING

This industry group comprises establishments involved in the manufacture of dairy products from raw milk, processed milk, and dairy substitutes.

There were 29 establishments in this industry in Tennessee in 2007, employing 2,217 people. The average pay for workers in this industry was \$46,648 per year. The largest employer in this industry is Mayfield Dairy Farms Inc., which employs over 500 people in McMinn County.



BAKERIES AND TORTILLA MANUFACTURING

This industry primarily comprises establishments engaged in one or more of the following: (1) manufacture of bread and bakery products; (2) manufacture of cookie, cracker and pasta and (3) tortilla manufacturing.

There were 119 establishments in this industry in Tennessee in 2007, employing 7,160 people. The average pay for workers in this industry is \$39,655 per year. The largest employer in this industry is McKee Foods Corp., employing 3,795 people in Hamilton County.



OTHER FOOD MANUFACTURING

This industry group primarily comprises establishments engaged in the manufacture of food except animal food; grain and oilseed milling; sugar and confectionery products; preserved fruit, vegetable, and specialty foods; dairy products; meat products; seafood products; and bakeries and tortillas). This group also includes industries with varied different production processes, such as snack food manufacturing; coffee and tea manufacturing; concentrate, syrup, condiment, and spice manufacturing; and an entire range of other miscellaneous food product manufacturing.

There were 42 establishments in this industry in Tennessee in 2007 employing nearly 3,100 people. The average pay for workers in this industry is \$45,059 per year. The largest employer in this industry is Proctor and Gamble Manufacturing, which employing 1,100 people in Madison County.



NUMBER OF COMPANIES AND EMPLOYEES BY GRAND DIVISION FOOD MANUFACTURING SECTORS

WEST

90 Companies
8,602 Employees

MIDDLE

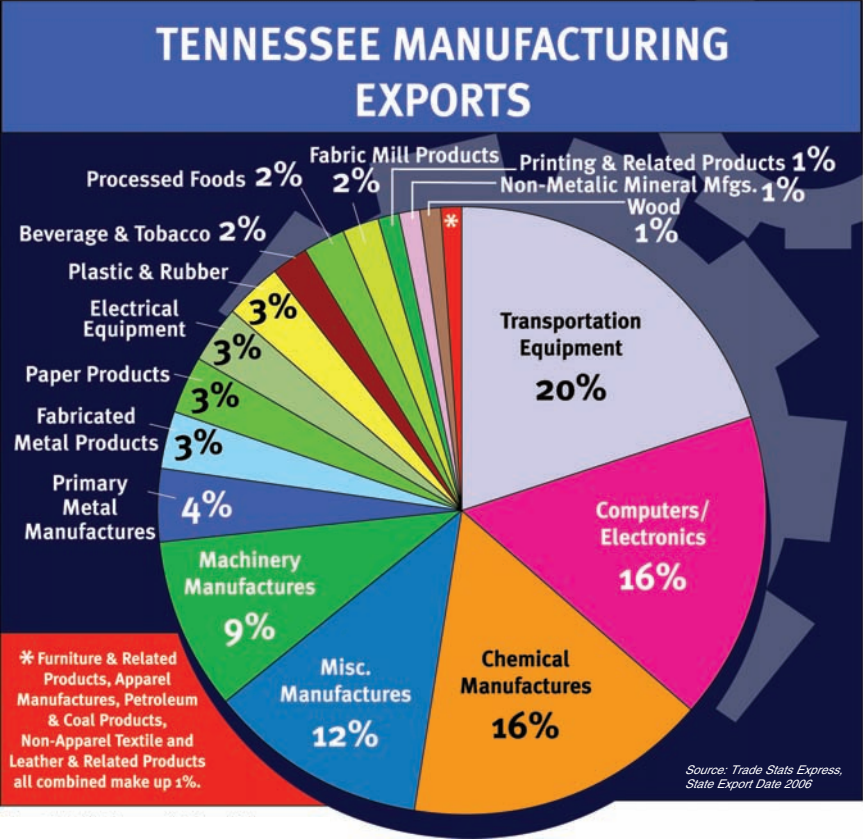
147 Companies
11,683 Employees

EAST

147 Companies
12,423 Employees



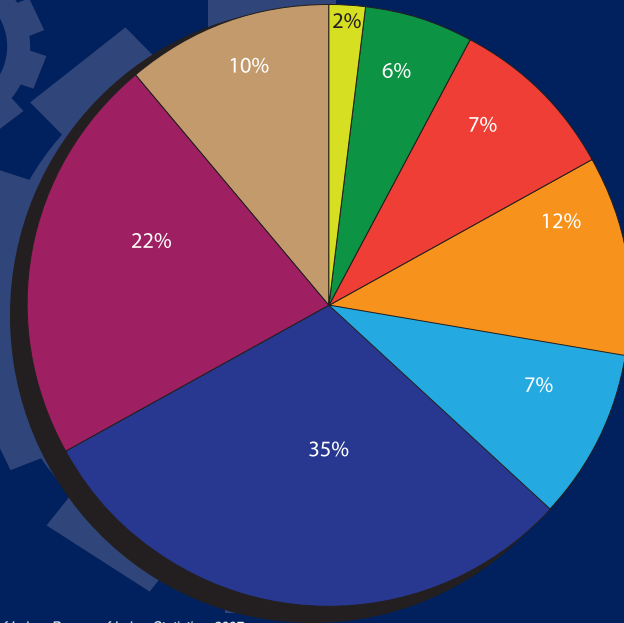
The adjacent graph shows a breakdown of Tennessee's exports by industry.



Tennessee poultry and poultry products generated more than \$45 million in global exports.

– Source: Tennesse Egg & Poultry Association

EMPLOYMENT BY INDUSTRY: FOOD & MANUFACTURING



US Department of Labor, Bureau of Labor Statistics, 2007

Thirty-five percent of Tennesseans employed in food manufacturing industry are involved with animal slaughter and processing. Another 22 percent work in bakeries and tortilla factories.

The graph below illustrates the employment breakdown in this industry.

<div></div>	Animal Food Mfg	2%
<div></div>	Grain & Oilseed Milling	6%
<div></div>	Sugar & confectionary Prod Mfg	7%
<div></div>	Fruit & Vegetable Preserving	12%
<div></div>	Dairy Product Mfg	7%
<div></div>	Animal Slaughtering & Processing	35%
<div></div>	Bakeries & Tortilla Mfg	22%
<div></div>	Other Food Mfg	10%
<div></div>	Seafood	NA

The largest employer in this industry in Tennessee is McKee Foods Corp., whose facility in Blount County employs almost 3800 people with four other facilities in Tennessee employing over 1,000 people.

The table below offers a list of the top twenty employers in this industry in Tennessee.



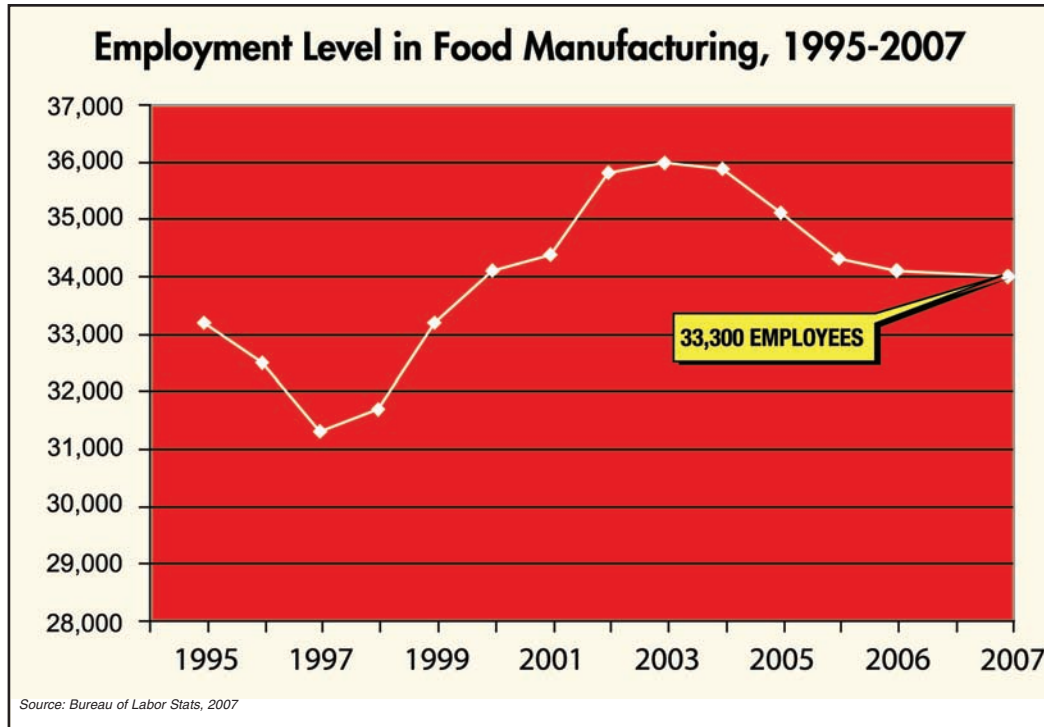
Tennessee's poultry industry provides employment for more than 6,000 Tennesseans.

– Source: Tennessee Egg & Poultry Association

TOP TWENTY EMPLOYERS		
COMPANY	COUNTY	EMPLOYEES
McKee Foods Corp	Hamilton	3795
Tyson Foods Inc	Obion	1300
Tyson Foods Inc	Bedford	1200
Procter & Gamble Manufacturing Co	Madison	1100
Pictsweet LLC	Crockett	1000
Pilgrim's Pride Corp	Hamilton	800
Kellogg Co	Shelby	750
General Mills Inc	Shelby	700
Mars Snackfood US LLC	Bradley	678
Hershey Co	Shelby	555
Mayfield Dairy Farms Inc	McMinn	525
Pinnacle Foods Group Inc	Madison	500
Maple Leaf Bakery	Sumner	450
Portion Pac Inc	Davidson	415
Flowers Bakery of Crossville LLC	Cumberland	400
Frito-Lay Inc	Giles	350
Interstate Brands Corp	Knox	350
Sara Lee Bakery Group Inc	Knox	340
Kellogg Co	Fayette	327
Solae LLC	Shelby	325
Source: Harris Info Source, 2008		

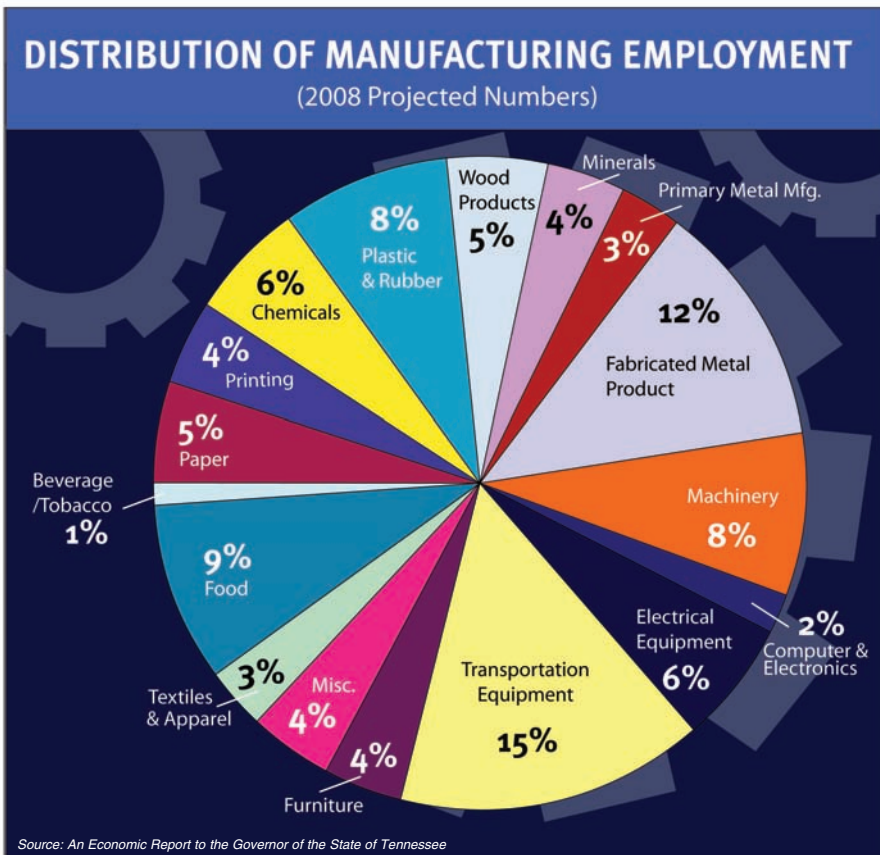
The number of Tennesseans employed in the manufacturing of food has fluctuated between 32,000 and 35,000 since 1995.

The following graph illustrates the employment level in the food manufacturing industry during this period.



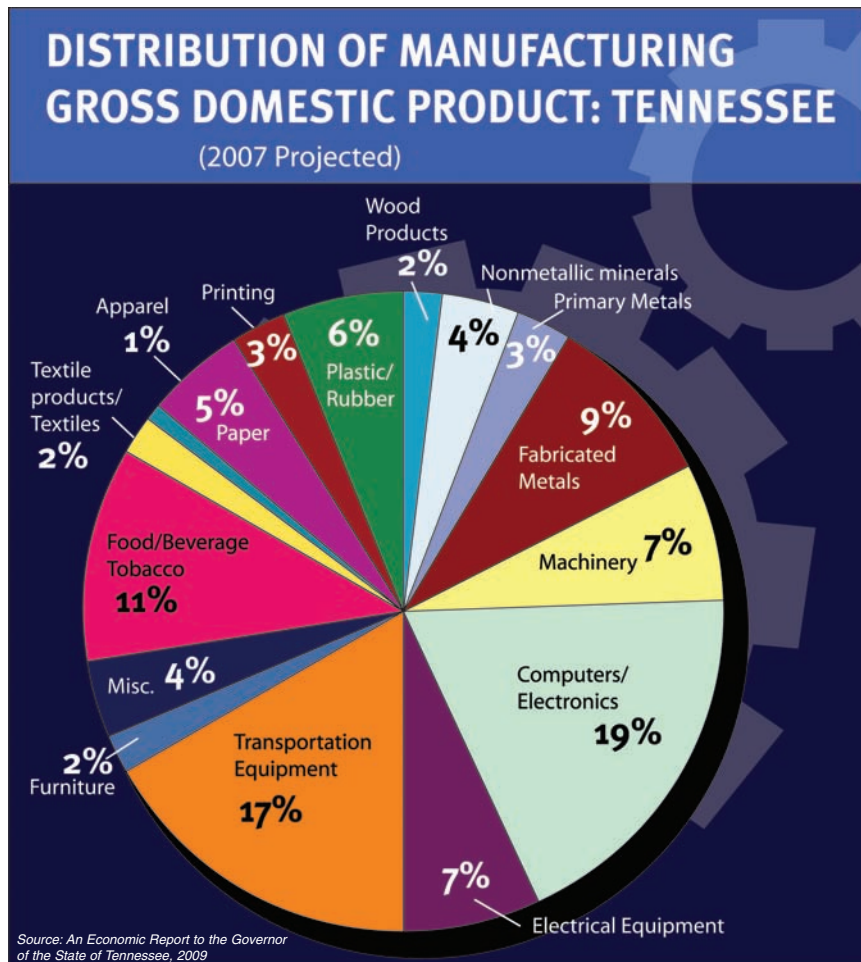
The food industry accounts for nine percent of the state's manufacturing employment.

A breakdown of manufacturing employment by industry is represented in the graph below.



The food/beverage/tobacco manufacturing industry accounts for 11 percent of Tennessee's manufacturing gross domestic product (GDP).

A breakdown of Tennessee's manufacturing GDP by sector is depicted in the graph below.



Sales of poultry and eggs account for 18.5% of all Tennessee farm income and rank second in all agricultural income.

— Source: Tennessee Egg & Poultry Association

REFERENCES

An Economic Report to the Governor of the State of Tennessee: On the State's Economic Outlook. January 2009: Center for Business and Economic Research, College of Business Administration, University of Tennessee. 2009.

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TradeStats Express, 2008

The Source. Tennessee Department of Labor and Workforce Development



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